

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE SOUTHERN DISTRICT OF TEXAS
HOUSTON DIVISION**

In re:	§	Case No. 22-60043-11
	§	
FREE SPEECH SYSTEMS, LLC	§	
	§	
	§	
Debtor	§	(Subchapter V)

SUBCHAPTER V TRUSTEE'S FIRST INTERIM STATUS REPORT

TO THE HONORABLE CHRISTOPHER M. LOPEZ, U.S. BANKRUPTCY JUDGE:

NOW COMES, MELISSA A. HASELDEN, Subchapter V Trustee (“Trustee”) in the above-referenced bankruptcy proceeding, and files this Subchapter V Trustee’s First Interim Status Report, and would respectfully show the Court as follows:

I.
BACKGROUND

1. Debtor commenced this bankruptcy case by filing a voluntary petition under chapter 11 of title 11 of the United States Code (the “Bankruptcy Code”) and electing to proceed under subchapter V of chapter 11 on July 29, 2022 (the “Petition Date”).

2. On August 2, 2022, the Office of the United States Trustee for Region 7 appointed Melissa A. Haselden as the Trustee in this case [Dkt. No. 22].

3. On September 20, 2022, the Court entered its Order Expanding Subchapter V Trustee’s Duties under 11 U.S.C. §1183(b)(2) and requiring Trustee to file a report pursuant to 11 U.S.C. §1106(a)(3) & (4) (“Trustee Order”) [Docket #183].

II.

STATUS UPDATE

4. Since the entry of the Trustee Order, Trustee engaged counsel and began the investigatory steps required by the Court.

5. The Trustee and counsel toured Debtor's distribution center and twice visited the offices/studios.

6. The Trustee interviewed the following parties:

- a. Patrick Riley of Blue Ascension Group (fulfillment provider);
- b. [REDACTED]
- c. [REDACTED]
- d. Dr. David Jones of PQPR;
- e. Joseph Dalessio of Elevated Solutions Group; and
- f. Mark Schwartz.

7. Additionally, the Trustee attended presentations by Bob Roe, consultant to PQPR, related to origination of PQPR debt, as well as an additional interview of Bob Roe by counsel for the Sandy Hook Families.

8. The Trustee conferred on several occasions with counsel for the Sandy Hook Families, counsel for the Debtor and Counsel for Alex Jones.

9. Trustee received certain financial information from the following parties related to transactions with the Debtor:

- a. [REDACTED]

b. PQPR

10. Trustee served Rule 2004 document requests on the Debtor and PQPR. Additionally, documents have been received or are forthcoming pursuant to request by the Trustee from numerous other parties, including Alex Jones.

11. Trustee worked with counsel for the Debtor to locate a CRO. Additionally, the Trustee identified and negotiated a proposed engagement of M3 Partners to assist her with her investigation.

12. Trustee, through counsel, worked with the various constituencies in this case to facilitate a mediation amongst the parties in an effort to attain terms for a consensual plan. Judge Marvin Isgur agreed to mediate this matter.

Respectfully Submitted,

HASELDEN FARROW PLLC

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Subchapter V Trustee

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*Proposed Counsel to for Melissa Haselden
Subchapter V Trustee*

CERTIFICATE OF SERVICE

I certify that a true and correct copy of the foregoing Subchapter V First Interim Status Report was served on the following parties in interest via ECF on October 11, 2022:

/s/ Melissa A. Haselden _____

Melissa A. Haselden